



BUDGET COMMITTEE
Town of Hollis
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Minutes of February 9 & 10, 2010
(Public Hearing of Town Budget)

Meeting was held in the Community Room, Hollis Town Hall. The Budget Committee was called to order by Chairman Chris Hyde at 6:39 PM.

Members present: Chris Hyde, Chairman; Peter Band, Selectmen Representative; Bill Beaugard, School Board Representative, Tom Jambard, Bob Labednick, Ray Valle, Frank Whitemore

Also present: Frank Cadwell, Selectman; Paul Calabria, Finance Director; Gaye Kulvete, Library Director; Lisa Petralia, Recreation Director, Jeff Babel, DPW Director; Rick Towne, Fire Chief; Russ Ux, Police Chief; Bob Bartis, Chairman of the Library Trustees; Michelle Repp, Library Trustee arrived at 7:30; Vahrij Manoukian, Selectman arrived at 8:00; David Petry, Selectman arrived at 8:05.

Chris explained the role and statutory duties of the Budget Committee.

Peter detailed the task of bringing the budget to the Budget Committee. We have achieved a zero increase to the Operating Budget over 2009. This proposed budget maintains the level of the service to town residents. Wages are frozen for all departments. The employees know we are in difficult times. There are several Warrant Articles and a couple of Petition Warrant Articles.

Troy detailed the Warrant Articles:

#1) Official Reports

#2) Town Hall Minor Renovation & Structural Repair Work

#3) Ratify Collective Bargaining Agreement between the Town of Hollis and AFSCME 3657

#4) Expendable Trust Funds

#5) Special Revenue Funds

This will not impact the Tax Rate.

#6) Flints Pond Restoration Capital Reserve Fund Purpose Modification

#7) Ash Street Sidewalk Construction Project

#7A) Ash Street Sidewalk Construction Project

If W/A #6 is defeated.

#8) Flints Pond Restoration Project

If W/A #6 is adopted.

#8A) Flints Pond Restoration Project

If W/A #6 is defeated.

#9) (by Petition) Discontinuance of Flints Pond Restoration Capital Reserve Fund

#10) Energy Efficiency and Conservation Grant

#11) Discontinuance of Capital Reserve Funds

#12) 2010 Operating Budget

#13) (by Petition) – Amendment of NH Constitution to Define “Marriage”

#14) (by Petition) – 9/11 Report

Paul highlighted the Summary of the 2010 Proposed Budget. Benefits are up due to NHRS rate increases. Insurance is up due to W/C and Property Liability Insurance. Building & Septic is up \$34,794 due to a reclass of an employee from the Executive line which shows a credit of \$36,582.

Chris stated that we will go through the warrant articles one by one. Town Hall renovation project was originally \$525K, reduced by \$25K by eliminating bond issuance costs and \$100K for town hall design study. Currently at \$400K.

Troy discussed the Town Hall Renovation PowerPoint.

Peter Steffensen described the process of Renovation.

John Anderson-Wheeler Road What about areas that haven't been seen? Peter S - That's why we are carrying a contingency. Troy explained that the contingency was included. Peter S – Maximum tensile force 3.7 kips (2 tons) requires 3"x.75" metal strap, so not terribly complex.

Steve Pucci-Nartoff Road. What is the anticipated life of the repairs? Peter S - Not known at this time. Rot and splits will tell the tale. Wood is the weak link. Not worried about the steel.

Dick Brown-Hayden Road. Using new materials & epoxies, could you remediate the rot by applying an epoxy to stabilize? Peter S - I wouldn't do it. It's not the way it's done. Dick B - Lawrence Barn beams were repaired. That technique could be used to preserve the wood. Peter S – We would use the most usual construction products and methods. Many columns are split. Epoxies have been used if the structure was fine in the 1st place. Our structure is not to code. Model was run to get net effect. Epoxy wouldn't be appropriate for this project.

Basil Mason-So. Merrimack Road. Suggested that the structure should move. Put steel beams to the cellar. Peter S - Study based on engineering principles. Troy explained that he posted the plans. Harvey & Hutter worked with us at no charge to cost the project. It will be publicly bid. Basil M – Used for comparison that 20 years ago the Farley bldg was going to fall down. ProComm did the whole building for \$80K. I want to see the bid. The plan could change. Troy explained it will be competitively bid. Chris put a halt to the conversation. Troy explained there are construction drawings available.

Tom Enright-Main Street. Asked for more details on the new roof. What does the \$275K entail. Troy explained the \$125K cost is for a 50 year life shingle and copper cap replacement. It includes transition areas. It includes the roof for the entire building. Chris reiterated that there would be no duplication of tasks if we were to renovate the building in the future.

Roger Saunders-VanDyke Road. Does Hutter estimate include contingency? Troy - both contractors carried a \$5K contingency. Roger S - Does roof repair include insulation? Troy – No, the selectmen felt that it would have to be done again during future work. During an eventual renovation, the old insulation will be removed at that time, and we don't want to pay for it twice. Peter S - If we design the roof to current code, we will have ample capacity for snow load. How much or little insulation is there won't make a difference.

Jim Belanger-Plain Road. Will contractors create their own scope of work? Troy – No, he will be working with Peter S to create the RFP, so all contractors will be bidding on the same specifications.

Drew Mason-Baxter Road I've had experience with old buildings. What if we open it up and discover \$100K worth of

additional things we have to do? Peter B explained that it would depend on the scope, like the sidewalk project. Fix the trusses, put on a new roof and fix the Clock Tower. If the cost is discovered to be much greater we would stop the project. It is very specific in scope. It addresses the safety issues. Troy explained that there is a bit of flexibility to utilize the Maintenance Exp. Trust Fund and Budget Contingency.

Janice Durgy-Pierce Lane. Can we get funding assistance since the Town Hall is on the National Register? Troy – Yes, we have applied and we did receive a small LCHIP grant. We are now pursuing a historical assessment. Vahrij explained that he was the only BOS to vote against. Afraid of opening a can of worms. Recommends fixing it all or fix nothing. Chris requested that questions should be centered around the engineering aspects of the project, and that the meeting will address philosophical questions a bit later.

Ray V.- Asked whether loose joints/tower movement is part of the design strength? Peter S – Discussed load stress. Wood safety factor 3 to 5 times due to irregularities that are contained in wood. Steel 1.6 safety factor. Failure is not an option in Structural Engineering. Movement of the tower is not part of the design. The goal is to stabilize it.

Ray V - It can't withstand 45+ mile winds? Peter S – 90 miles/hour is the “design limit” for this geographic area per current code. At 90 mph, the tower is about three times overstressed. Engineering judgements on the existing tower, with certain assumptions regarding the condition of inaccessible areas, give good confidence in the structural integrity up to about 45 mph.

Bob L. - Questioned that the inspection was visual only? What's behind the walls and other obscured areas?

Ray - What would be the remediation if there is extensive rot. Peter S - Saw out and replace on the 3 available sides. Troy described the visible results of rot due to the leaking roof.

Tom J. -Asked whether the 2002 Trexler engineering study on the roof trusses were reviewed? Peter S - Yes. Tom J – What is impact of bearing load on side walls with additional weight of new roof? Peter S - There's not a lot of weight being added although it looks that way. For example, there's about 750 pounds of material being added to support the tower. The original tower structure becomes effectively redundant. Flexibility is not part of structural engineering. It should be snug. Troy questioned whether the frame should move? Peter S - No.

Bill B.- You have allowed for worst case and considered the relationship of the tower to the rest of the building so that it is returned it to it's original rigidity without unintended consequences? Peter S - Yes. Intent is to connect the tower back to the roof plane. Reviewed the process of engineering the new design.

Basil Mason-So. Merrimack Road. Added weight in the tower of 750 pounds doesn't seem right. One steel beam is 20 to 30 pounds per linear foot. Peter S Corner angle 12.4 pounds per foot, ~23 feet long. The rest of the detail is on the drawings.

Roger Saunders Van Dyke Road-Stiff tower is better off, no leaks.

Chris opened the Public Hearing.

Article 2

Rob Prunier-Hideway Lane-Principal for Harvey Construction- Troy put Harvey & Hutter together so they could agree on a scope and a cost. The scope should be viewed as a bare-bones minimum, only covering the most immediate public safety/liability issues. Their scope originally had a \$9K contingency. As an aside, the public should be aware that Mr. Steffensen is one of the most knowledgeable and respected engineers in the business.

Vahrij reiterated that he voted against it because he was afraid that the cost would skyrocket above the \$400,000. Renovate the whole building or don't do a partial repair.

Peter explained the BOS majority position. The scope is bounded and necessary, involving specific repairs. A full renovation would be opening a can of worms.

Basil M.- What will we do with the employees during the renovation? How much will that cost us?

Vahrij countered that he prefers the complete renovation of the building and that it be bonded.

Tom Enright- Main St. He supports this article. We aren't going to lose the building, it needs to be maintained for future usefulness. However, the School District is also asking for \$550K. The Town and the School should apply any surplus funds from the prior year operating budget toward these projects to help offset the increase in the tax bill.

Steve Pucci-Nartoff Road Suggested that any unreserved fund balance should be returned the taxpayers.

Drew Mason-Baxter Road We don't have an option to not do it. It takes many town meetings to get anything done. It's a good idea and we should do it this year.

Art. 3

Chris reminded the hearing that the NH legislature passed the "Evergreen" provision. Any contract signed after August 2008 will go forward even if a successor contract is not reached.

Drew Mason-Baxter Road Does it apply retroactive to the current contract. Chris H No.

Troy detailed the W/A. The contract covers Police, Fire, and Communications departments. Most recent contract expired 3/31/09. Negotiations started Fall 2008. Troy ran through the PowerPoint presentation. Paul detailed the cost impact of the W/A.

Drew Mason-Baxter Road. These are incremental amounts over the current budget? Peter B Yes. Drew M Has Union approved this? Peter B Yes. Chris noted that the Selectmen try to equalize the non-Union benefit package with the Union contract provisions, so should the Town vote to approve this W/A, there would be additional cost to the taxpayer.

Basil Mason-So. Merrimack Road A number like \$200K for workman's comp.(actually life insurance) is too much. Retirees aren't getting more SS. We are getting cut back on our amount of money. National debt will triple. Chris H referred listeners to the website for more detail on the terms of the existing collective bargaining agreement.

Jim Belanger-Plain Road Urge BudComm to not approve this article. CBA issue is a similar problem encountered by surrounding towns, all involving the same union. Recommend to not support.

Tom Enright -Main St. In 2010, is the 3% merit to get us what we want? Peter B No, it's 2.5% in 2010 and 3.0% in 2011. Tom E Why isn't health insurance increasing at 15%. Peter B It's included in the budget. Retiree Health benefit has to be taken out. Go with the BOS and BudComm Paul stated that the 10% increase in health benefits were a heavily negotiated number which had come down from something originally on the order of 14%, so they were pleased with that.

ACTION ITEM: Tom E. would like to see the % of total compensation increase available for town meeting.

Chris asks about the legal opinion he asked for regarding the Retiree Health Ins sidebar agreement that was never voted on at Town Meeting.

Steve Pucci-Nartoff Road What parts of the contract would be Evergreened? Troy All but C.O.L.A. Steve P Recommend to not support.

Basil Mason-So. Merrimack Road 20 year member of teamsters union. Two years ago, Teamsters took a 10% reduction.

Steve Realmuto-Cameron Drive. Requested raises are out of line. Last 2 years, employees in his industry were lucky to keep their job at current rate of pay. Can't believe they've asked for these raises.

Art. 4

Ray V. What are the current balances in these accounts? Paul C Liability on compensated absences is approx. \$200K and the current balance is just over \$70K. The maintenance fund had just under \$29K with no outstanding liabilities. Health Ins. Fund is just over \$100K.
No public input.

Art. 5

Strike Art 6
Strike Art 7
Strike Art 8

Art. 7A STRIKE "**Assuming the defeat of article 6, above**"

This will become the new article 6.
Frank W asks if this will complete the project. PB Yes.

Al Chase-Farley Road I don't see many people walking that road? Peter B There is much pedestrian traffic, this would encourage more people to walk. Chris H This project will tie into likely future projects which extend the sidewalks from four corners to the elementary school.

Art. 8a STRIKE "**Assuming the defeat of article 6, above**"

Darren White-Flint Pond Drive Milfoil affects most lakes in NH. DES takes a long time to get projects completed. Troy has been helpful in the process. DES grants, Conservation, NH Lakes Associations grants. Flint Pond is being investigated as a potential natural water supply, very few of these in this area. BOS has supported it, he would like the BudComm to support.

Frank W asked if the BOS thinks this will solve the problem. Peter B This will clean it up for 10 to 15 years. Ray V Is this a one time act? Does the town have liability the next time this needs to be done? Peter B No.

Ray V Wanted to know if there have been any scientific studies to determine the effect, if any, on the underlying aquifer?
Consensus is that no one is sure.

Bruce Moran-President of the Flint Pond Improvement Association It is a long term program. Bruce described the process. DES application approval is imminent.

Steve Pucci-Nartoff What is the success rate of chemical treatment? Darren W Not known right off hand.

Jim Belanger-Plain Road Success rate in Connecticut lasted 4 or 5 years. They then GPS-located the spots where milfoil came back and spot-treated it.

Basil Mason-So. Merrimack Road There are other lakes in the area that have been doing this for years. They've been treating Potanipo in Brookline and a lake in Hudson.

Beth Flagler-Flint Pond Drive Conservation aspect of Hollis is great. Having this pond available would be a great asset to the town. We should follow through on the original intent of the fund.

Jim Belanger-Plain Road What will happen to the balance of the fund? Chris H noted that Art. 9 could eliminate the fund and return the monies to the General Fund.

Darren White-Flint Pond Drive Would like the town's support. There is private fundraising going on to help fund the ongoing project expenses.

Erica Daly-Flint Pond Drive- In support of the article.

Bruce Moran-Flint Pond Drive Described the usefulness of the pond as a fire pond, needs to be maintained.

Basil Mason-So. Merrimack Road Garbage and weeds will raise water level so sewage systems will not work. Recommends support. Chris H Asked whether the culvert is too small? Basil M State came down and altered 20-25 years ago. Darren W Priority is to improve water flow capacity out to Flint Brook. Arsenic levels are acceptable. Chris H What is liability to Town? Peter B Likelihood is low. Vahrij M State is monitoring, State will step in if there is a problem. Darren W Described where the materials will be taken.

Art. 9

Art. 10

Peter Band discussed the intent of the article.

Al Chase-Farley Road Just make sure money is spent wisely.

Ray V What if schools don't adopt. Peter B No effect.

Ray V What are compliance requirements? Peter B Per Davis-Bacon, pay prevailing wages, should not affect town administrative overhead.

Art. 11

Art. 12

Steve Pucci-Nartoff Road All inclusive budget? Chris H Yes, except may be adjusted for the parallel adjustment to the non-union if the CBA were to pass. Steve P Added additional detail questions on the '09 expenditures. Chris H What is expected tax impact? Paul C Approximately a 13% increase, if everything were to pass at town meeting, from the current rate of \$4.99 to \$5.64 per thousand. The key increase is the warrant articles, since the budget is effectively flat.

Frank W Asked to review the encumbered funds of \$142K. Paul C Reviewed the various amounts.

Basil Mason-So. Merrimack Road What happens to the \$106,000 if the Flint Pond articles fail? Chris H Money that is there will stay there if all the articles fail.

Arts. 13 & 14

Chris closed the Public input @ 10:45 p.m.

Art. 2 Town Hall Minor Renovation & Structural Repair Work. Bill B Motion to recommend, Peter B 2nd. Bill liked the process and thinks we are all set. Ray V commented that he doesn't think Mike H. would support. **Passed** 7-0-1 (Mike H. absent)

Art. 3 Ratify Collective Bargaining Agreement Between the town of Hollis and AFSCME Local 3657. Bill B Motion to recommend, Tom J 2nd. Ray V Evergreen is a problem. Chris H Unrealistic request, should go back to the bargaining table. **Defeated** 0-7-1 (Mike H. absent)

Art. 4 Expendable Trust Funds. Bill B Motion to recommend Peter B 2nd. Bill B Asked whether the compensated absences should be at 100%. PC Yes, we are trying to slowly get there. Bill B Would like to see a schedule of anticipated projects. Troy B We hope to build the fund to fix a roof or other bigger projects. **ACTION ITEM:** Bill B What are the top 10 things that aren't being done. Bob L said that the health insurance costs need to be brought into line. Ray V opposed the bundling of all 3 expendable trust funds into one warrant article. **ACTION ITEM:** Updated Capital Improvement Plan which includes Municipal Bldg & Facilities Maint. Chris H Proposed \$10,000 out of Comp Absences & \$15,000 out of Municipal Maintenance. Chris w/d motion. **Defeated** 1-6-1 (Band-Yes) (Harris-Absent)

Art. 5 Old Home Day Special Revenue Bill B Motion to recommend Peter B 2nd. **Passed** 7-0-1 (Mike H-absent)

Art. 7a Ash Street Sidewalk Construction Project. (Will be Article 6) Bill B Motion to recommend as amended. Peter B 2nd.

Defeated 1-6-1 (Band-Yes) (Harris-Absent)

Art. 8a Flints Pond Restoration Project (Will be Article 7) Bill B Motion to recommend as amended. Peter B 2nd
Passed 5-2-1 (Valle & Hyde-opposed) (Harris-absent)

Art. 9 (by Petition) Discontinuance of Flints Pond Restoration Capital Reserve Fund Bill B Motion to recommend as amended, Peter B 2nd. **Passed** 4-3-1 (Jambard, Band & Beauregard-opposed) (Harris-absent)

Art. 10 Energy Efficiency and Conservation Grant Bill B Motion to recommend as amended, Peter B 2nd
Passed 6-1-1 (Valle-opposed) (Harris-absent)

Art. 11 Discontinuance of Capital Reserve Funds Bill B Motion to recommend as amended, Tom J 2nd
Passed 7-0-1 (Harris-absent)

Art. 12 2010 Operating Budget Bill B Motion to recommend as amended Peter B 2nd. Discussion as to who is responsible for the final budget number, the selectmen or the budget committee.

Chris H Motion to recess until 6:30 pm 2/10/10 to further pursue Art. 12, 2nd by Bill B **Passed** 7-0-1 (Harris-absent)

2/10/10 Chris reconvened the Bud Com Meeting at 6:45 p.m.

In Attendance: All BudComm members except Mike Harris; Paul Calabria, Troy Brown, David Petry, Vahrij Manoukian, Frank Cadwell, Rick Towne, Jeff Babel, Russel Ux, Bob Bartis.

Chris H Opened the meeting by reviewing the question raised the previous evening. The budget is prepared by the BudComm. Therefore, they are permitted by law to amend the dollar amount on the warrant as it was presented to them. However, the BudComm is not to take a position on articles that do not involve appropriations. Therefore the committee proposes to withdraw it's recommendation on Article 9 above (now called Article 8). Ray V Motion to withdraw the recommendation, Bill B 2nd. **Passed** 6-1-0 (Valle-opposed)

Continuation of discussion on the **2010 Operating Budget** (now called **Art. 11**). Peter B Motion to recommend, Bill B 2nd.

Chirs H Proposed reducing the budget by another \$100K to \$150K. Peter B Stated that it's out of line to try to change the budget target at the 11th hour. Ray V Said we should have been looking at zero tax impact. Feels that the committee should come up with a viable lower alternative operating budget to offer the legislative body at town meeting. Tom J Asked about why the Emergency Management number increased significantly. Russ Ux explained the new shared "Code Red" system that Hollis and Brookline have jointly proposed, to keep costs down. The majority of the committee spoke in favor of the proposed operating budget as it stands, not being in favor of making any further adjustments. **Passed** 5-1-2 (Hyde-opposed) (Harris-absent, Valle-abstained)

Recess at 7:15pm to sign required documents. End of Public Hearing of Town Budget.

Respectfully submitted,
Barbara Kowalski, Tax Collector
Paul Calabria, Finance Officer